

2 December 1966

MEMORANDUM

SUBJECT: Petroleum Situation in North Vietnam

1. There is still no evidence that US air attacks beginning in June on bulk petroleum storage sites have had a measurable effect on North Vietnam's economy or war effort.

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[redacted]
[redacted] there is firm evidence that distribution problems have caused some local petroleum shortages but a total lack of evidence pointing to a general shortage in the stocks of petroleum.

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2. As of 20 November, North Vietnam had an estimated 70 day supply of petroleum on hand, and tankers enroute are scheduled to deliver another 15,000 tons--or about 30 days supply--by 10 December.

3. Unloading time of large tankers (10,000 ton class) at Haiphong Harbor lengthened from the pre-July average of 7-8 days to 20 days due to the destruction of bulk storage tanks. The Soviets have countered the increased unloading time by using small tankers to handle some of their POL deliveries. Unloading operations at Haiphong remain cumbersome, however, necessitating employment of barges and makeshift facilities.

4. North Vietnam, however, appears to have coped successfully with the problems created by destruction of bulk storage facilities. A major factor contributing to this is the dispersal of POL throughout the country, an effort which was underway prior to the June air attacks. Over 100 dispersed sites have now been identified.

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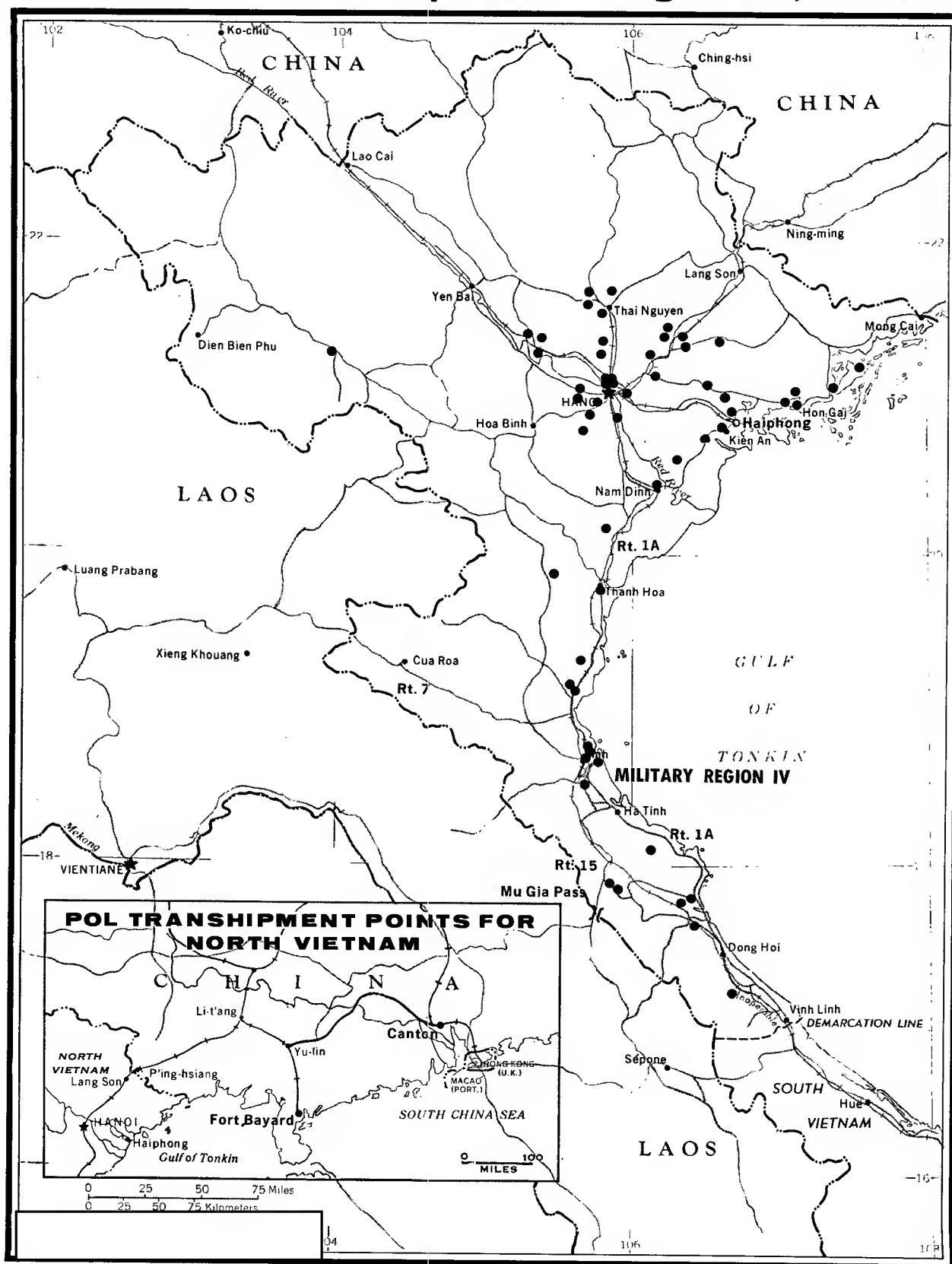
5. Distribution problems are the root of difficulties and shortages voiced by POL consumers. Dislocations arising from inadequate planning and administration of the more complicated dispersed storage system, exacerbated by weather damage to roads over which fuel allotments are delivered, give rise to most complaints.

6. Further evidence that fuel shortages have not seriously affected the war effort is the current high level of infiltration truck traffic into Laos, the continuation of which is one of the main purposes for the construction and repair effort on transport facilities in MR-IV. Truck traffic into northern Laos has been running

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at a high level since at least August. The daily average entering northern Laos on Route 7 was 20 trucks between August and early November. During most of November the average rose to 40 daily. Truck traffic into the Laos panhandle through Mu Gia Pass resumed in late September, shortly before the rainy season there actually ended. By early November this traffic reached the highest rate ever noted using the pass, with 250 trucks entering the panhandle between 6 and 11 November and 90 returning to North Vietnam by way of the pass.

NORTH VIETNAM: Dispersed Storage Sites, Oct. 1966



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Approved [REDACTED] Release 2003/08/19 : CIA-RDP79T00826A001400010079-4

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MEMORANDUM FOR: RECORD

This was requested by Walt Rostow as background for certain statements in recent CIBs.

The memo was not put in the system. [] STAT

[] says copies went forward to Mr. Proctor, Acting Deputy Director for Intelligence for disposition.

ACD

[] (DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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